

AMENDED IN ASSEMBLY MAY 1, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2418

Introduced by Assembly Member Members Gordon and Dickinson

February 24, 2012

An act to ~~amend Section 32121.9 of~~ *add Section 32121.10* to the Health and Safety Code, relating to health districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2418, as amended, Gordon. ~~Health districts: reporting. districts.~~

Existing law, the Local Health Care District Law, ~~requires a local health care district that leases or transfers its assets to a corporation in accordance with specified provisions to act as an advocate for the community to the operating corporation, and to annually report to the community on the progress made in meeting the community's health needs~~ *authorizes a local health care district to generate revenue through an annual assessment on real and personal property within the district.*

This bill would ~~require the annual report to include percentages of district revenues spent on district administration and on health care activities~~ *a health care district to spend at least 95% of the revenue derived from an annual general tax levy on current community health care benefits, as specified. The bill would expressly exclude from the definition of community health care benefits the salaries paid and benefits provided to staff of the districts and benefits provided to board members, among other items. By increasing the duties of local officials, this bill would impose a state-mandated local program.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 32121.10 is added to the Health and*
2 *Safety Code, to read:*
3 *32121.10. (a) (1) For purposes of this section, “current*
4 *community health care benefit” means any of the following:*
5 *(A) The operation or maintenance of a health care facility or*
6 *health services, as defined by subdivision (j) of Section 32121.*
7 *(B) The performance of the district’s powers under subdivision*
8 *(l), (m), (n), or (r) of Section 32121.*
9 *(C) Reserves.*
10 *(D) Capital outlays, as defined in Section 32221.*
11 *(E) Any other item approved by a resolution adopted by a*
12 *majority vote of the local agency formation commission of the*
13 *principal county of the district.*
14 *(2) For purposes of this section, “current community health*
15 *care benefit” excludes the salaries paid and benefits provided to*
16 *staff of the district, benefits provided to board members of the*
17 *district, expenses paid to any consultant hired by the district, and*
18 *any other item not identified in paragraph (1).*
19 *(b) For purposes of this section, “principal county of the*
20 *district” means the county in which the district is located. If a*
21 *district is located in more than one county, “principal county of*
22 *the district” means the county with the largest share of assessed*
23 *value of taxable property within the district, as shown on the last*
24 *equalized assessment role.*
25 *(c) Notwithstanding any other provision of law, a district shall*
26 *expend at least 95 percent of the revenue derived from the annual*
27 *general tax levy assessed pursuant to Article 1 (commencing with*
28 *Section 32200) of Chapter 3, after excluding the amounts for the*
29 *revenue and expenditures described in subdivision (d), on current*

1 community health care benefits. In addition, a district may allocate,
2 within a fiscal year, not more than 30 percent of the revenue
3 derived from this annual general tax levy, after excluding the
4 amounts for the revenue and expenditures described in subdivision
5 (d), to reserves.

6 (d) This section shall not apply to the following:

7 (1) The portions of the district's annual general tax levy that
8 have, as of April 1, 2014, been obligated by contract or other
9 legally binding obligation to a specific purpose.

10 (2) The portions of the district's general tax levy that are
11 required to be used for a specific purpose by Chapter 4
12 (commencing with Section 32300), Chapter 5 (commencing with
13 Section 32315), or Chapter 5.5 (commencing with Section 32350).

14 (3) The district's financial reserves in existence as of April 1,
15 2014.

16 (4) The cost of elections required or authorized by this division.

17 (5) A special assessment approved by the voters pursuant to
18 Article 3 (commencing with Section 32240) of Chapter 3.

19 (e) A district shall annually submit documentation of the
20 district's compliance with this section to the county
21 auditor-controller, the local agency formation commission, and
22 the board of supervisors, of the principal county of the district.

23 SEC. 2. If the Commission on State Mandates determines that
24 this act contains costs mandated by the state, reimbursement to
25 local agencies and school districts for those costs shall be made
26 pursuant to Part 7 (commencing with Section 17500) of Division
27 4 of Title 2 of the Government Code.

28 SECTION 1. ~~Section 32121.9 of the Health and Safety Code~~
29 ~~is amended to read:~~

30 ~~32121.9.— A district that leases or transfers its assets to a~~
31 ~~corporation pursuant to this division, including, but not limited to,~~
32 ~~subdivision (p) of Section 32121 or Section 32126, shall act as an~~
33 ~~advocate for the community to the operating corporation. The~~
34 ~~district shall annually report to the community on the progress~~
35 ~~made in meeting the community's health needs. The annual report~~
36 ~~shall include the percentage of district revenues spent on district~~
37 ~~administration and the percentage of district revenues spent on~~
38 ~~health care activities.~~